

**UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT**

<b>Rural Business Cooperative Service</b>	<b>601 Business Loop 70 West</b>	<b>(573)876-0976</b>
<b>Rural Housing Service</b>	<b>Parkade Center, Suite 235</b>	<b>FAX (573)876-0977</b>
<b>Rural Utilities Service</b>	<b>Columbia, MO 65203</b>	<b>TDD (573)876-9480</b>

For Administrative Use Only	Missouri RDAN 1436 (3550)
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April 4, 2006

TO: Area Directors and Rural Development Managers

/s/  
FROM: GREGORY C. BRANUM  
State Director  
Rural Development

SUBJECT: Single Family Housing Funds – FY 2006

**PURPOSE/INTENDED OUTCOME:**

The purpose of this AN is to provide Missouri Rural Development Areas with their final FY 2006 Rural Housing Allocations and the policy for the use of these funds.

**COMPARISON WITH PREVIOUS AN:** This AN replaces Missouri AN No. 1429 (3550) dated March 21, 2005.

**IMPLEMENTATION RESPONSIBILITIES:**

Our FY 2006 first and second quarter allocations for the Single Family Housing 502 and 504 programs have been distributed and spent. This represents 75 percent of FY 2006 allocation with the 50/50 split for very low- and low-income funds. An additional 25% is now available for third and fourth quarter with National Office pooling July 14, 2006. Here are the amounts of our initial annual allocation for FY 2006:

502 Very Low	\$9,358,000
502 Low	\$9,358,000
504 Loan	\$799,000
504 Grant	\$687,000

In addition, we will receive some additional funds from National Office for our Self-Help groups, Rural Home Loan Partnerships, and Faith Based Section 504 Projects. The additional grant money for World Changers has been added to Area 1 and 2 allocation and usage must be reported to the State Office monthly. MHDC has provided money to combine with our Direct loans (discussed later in AN).

Missouri has already surpassed the initial allocation for the Guaranteed 502 Program by receiving \$55,740,956.

<b>EXPIRATION DATE:</b> September 30, 2006	<b>FILING INSTRUCTIONS:</b> Preceding RD Inst. HB-1 3550, Appendix 7
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### **Pooling**

State pooling of funds for Direct Programs is planned for COB on Monday, June 4, 2006. National Office will pool EZEC funds on June 30, 2006 and other direct funds on July 14, 2006. Guaranteed pooling is scheduled for August 11, 2006 or sooner if necessary.

### **Allocation of funds to each area**

Attachment A provides the quarterly allocations to each area. Allocations are based on formula, prior use, and total state allocation available. THE THIRD QUARTER COLUMN REFLECTS THE ONLY MONEY AVAILABLE ON AN AREA BASIS AT THIS TIME. All previous quarters money were pooled and have been spent.

### **State Office Reserves**

E-mail or fax through the Area Office to the State Office Attachment C for requesting the following from State Office Reserves:

**Rural Home Loan Partnership Loans** - National Office will provide funds to cover 75% of RHLF Loans.

**502 and 504 Hardships** - EXTREME hardship cases only. Priority for Section 502 loans will be given to applicants who have been living in deficient housing for more than 6 months, current owners facing foreclosure, homeless, and other circumstances on a case by case basis. Only 504 loan/grant combinations for extreme hardship cases will be considered (small grant amounts will be given priority). The Area Director must justify an extreme hardship case as one requiring a significant priority in funding due to SEVERE health or safety hazards. Each area is limited to two requests for any State Office reserve 504 grant money. For 504 Grant Combos, include a copy of the Budget, RD 1944-3, when submitted to the State Office. Area Office funds MUST be used before submitting hardship requests to the State Office. Hardships requests must have Area Director signature and priority status.

REMEMBER: IF YOU ARE OUT OF 504 LOAN MONEY IN YOUR AREA – CALL THE STATE OFFICE FOR MORE.

**Self-Help Loans** - National Office will provide funds to cover 100% of Self-Help Loans.

**Disaster 504 Loans and Grants** – Disaster money for grant requests resulting from the March 11-13 storms of 2006 can be requested on a case-by-case basis to the State Office through the Area Office.

### **REO**

The National Office is making funds available on a first come, first served basis for program and non-program loans for sale of REO. E-mail or fax requests through the Area Office to the State Office on Attachment C. The requested amount, program type code, property address, and REO Account Number must be properly reflected in Mortgage Serve before CSC will fund our REO requests.

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**ADDI**

We have just been notified that MHDC has committed to provide \$244,948 of ADDI money to combine with our direct loans. RD is the only agency selected to participate in this money. Let's use it to stretch our limited money as far as possible. Please let the RH section know those offices that are interested in using this program.